

<b>Report title</b>	Informing the Audit Risk Assessment 2023/24
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<b>Department</b>	Financial Services
<b>Exempt?</b>	No
<b>Exemption type</b>	not applicable
<b>Reasons for exemption</b>	not applicable

**Purpose of report:**

To resolve

**Synopsis of report:**

The Council’s new external auditors, Grant Thornton, have carried out a risk assessment to inform their audit work for the financial year 2023/24. The purpose of this report is to share Management’s responses with Members for their awareness and consideration.

**Recommendation that:**

**“Informing the audit risk assessment for Runnymede Borough Council 2023/24” be approved and the external auditors be notified if there are any additional matters that the Committee considers may also impact on the planned audit work and context for the financial year ending 31 March 2024.**

**1. Context and background of report**

- 1.1 Audit risk assessment is the process that auditors perform in the planning stage of the audit. Auditors perform the audit risk assessment by identifying the risks of material misstatement and responding to such risks with suitable procedures.
- 1.2 Auditors perform an audit risk assessment after obtaining an understanding of the client’s business and control environment. They usually try to identify the risks while gaining an understanding of the client’s business and control environment. Then, they assess how those risks could impact financial statements and make a proper response to such risks by designing suitable audit procedures.
- 1.3 Informing the Audit Risk Assessment is an external audit-related review (introduced by Grant Thornton in response to revised financial reporting standards) which is completed by the Council’s management ahead of the main audit.

**2. Report and, where applicable, options considered and recommended**

- 2.1 The completed document (“Informing the audit risk assessment for Runnymede Borough Council 2023/24”) is attached at Appendix 1.
- 2.2 As set out on page 4 of the Appendix, the purpose of the document is “to contribute towards the effective two-way communication between Runnymede Borough Council’s external auditors and Runnymede Borough Council’s Audit Committee”. The report sets out audit queries and the management responses covering general enquires of management, fraud, laws and regulations, related parties, going concern and accounting estimates.

### **3. Policy framework implications**

- 3.1 The additional oversight provided by undertaking this review and considering the response made by Management to the auditors, helps support good governance in the organisation which in turn supports the overall governance framework of the Council and the management of risk.

### **4 Resource implications/Value for Money**

- 4.1 There are no additional costs associated with this report.

### **5. Legal implications**

- 5.1 The legal basis of external audit of local authorities is provided via the Local Audit and Accountability Act 2014. Those responsible for the conduct of public business and for spending public money are required to ensure it is conducted and expended in accordance with the law and proper standards, and that public money is safeguarded and properly accounted for, and used economically, efficiently, and effectively.
- 5.2 In discharging these responsibilities, a local authority must put in place proper arrangements for the governance of its affairs and the stewardship of the resources at their disposal. They are also required to report on their arrangements in their published Annual Governance Statement.
- 5.3 In conducting their work auditors will:
- plan and manage the audit in a timely, professional, and efficient manner
  - plan to complete work within agreed deadlines
  - maintain close liaison with the local authority
  - provide appropriate and adequate resources and assign responsibilities to staff with the relevant expertise and experience.
- 5.4 In meeting their responsibilities, local auditors obtain representations from management, both orally and in writing, on specific aspects of the audit.

### **6. Equality implications**

- 6.1 None identified.

### **7. Environmental/Sustainability/Biodiversity implications**

- 7.1 None identified.

**8. Risk Implications**

8.1 Assessment of risk is an important part of how the auditors will shape their work programme and make it effective and efficient. It is therefore essential that robust responses are made to inform the risk assessment.

**9. Other implications**

9.1 None identified.

**10. Timetable for Implementation**

10.1 Not applicable

**11. Conclusions**

11.1 This report and appendices are for noting unless the Standards & Audit Committee has additional issues to raise.

**12. Background papers**

- None

**13. Appendices**

- Appendix A - Informing the audit risk assessment for Runnymede Borough Council 2023/24